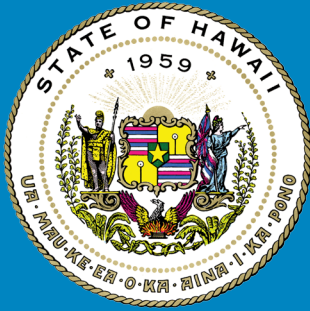


STATE OF HAWAII

OFFICE OF THE GOVERNOR



ABERCROMBIE
ADMINISTRATION ACCOMPLISHMENTS
2010–2013



 **RESTORE HAWAII'S FISCAL HEALTH**
\$1.1 BILLION TURNAROUND

 **CONTRIBUTE TO ECONOMIC RECOVERY**
NOW FOCUSING ON SUSTAINING AND GROWING

 **INVEST IN PEOPLE**
ONGOING AND NOW ABLE TO EXPAND

 **TRANSFORM STATE GOVERNMENT**
PROGRESSING RAPIDLY

LEADERSHIP

Gov. Neil Abercrombie was sworn into office in December 2010 after more than 20 years in Congress. Since taking office, the Abercrombie Administration has built a substantial record of achievement benefiting the people of Hawaii.



**THE ABERCROMBIE ADMINISTRATION IS BUILT ON
A THREE-PART FOUNDATION >>>**

- GROWING & NURTURING A SUSTAINABLE ECONOMY
- INVESTING IN PEOPLE
- TRANSFORMING GOVERNMENT

Upon taking office, the Administration faced a budget deficit of \$220 million at the end of 2010. In response, it established responsible fiscal management practices while creating a sustainable financial plan for Hawaii's future. As a result, the State of Hawaii ended fiscal year 2013 with a positive general fund balance of approximately \$844 million. A healthy financial plan that is sustainable through future years has allowed the Administration to take action on other crucial services.

The Administration has made significant strides over the past three years for the State of Hawaii. Focused investment in a much needed infrastructure has helped keep unemployment rates low. Our public education scores are improving. The Administration is paving the way for universal access to preschool in

Hawaii. Under a new law, we now have a plan to deal with the state's unfunded liabilities that have been accruing for decades. We continue to move forward on securing an alternative energy future to wean ourselves off of fossil fuels. And, we continue to protect and preserve our natural environment to ensure the Hawaii that we know and love continues for future generations.

Although there is always more work to be done, these are highlights of the Abercrombie Administration's accomplishments to date >>>



EDUCATION

- Transitioned Hawaii from an elected board to an appointed Board of Education (BOE). As a result, the BOE and the Department of Education (DOE) established a joint strategic plan for improving outcomes for students. This increased accountability and student achievement.
- Race to the Top Grant: The DOE effectively implemented a competitive \$75 million four-year federal grant to transform public education in Hawaii.
- Improved student achievement and learning: National Assessment of Educational Progress (NAEP) 2013 results show that Hawaii was the only state that statistically demonstrated significant improvement in both reading and mathematics in both the fourth and eighth grades.
- Implemented the Hawaii Common Core, a common set of standards that define the knowledge and skills students need to succeed in college and careers.
- Educator Effectiveness System: In collaboration with educators, implemented a new and improved Educator Effectiveness System, a rigorous and strong teaching effectiveness, support, improvement, and evaluation system for teachers focused on improving student learning.



ENERGY

- Implemented an airport energy savings program using Energy Performance Contracting to modernize the state's 12 airports with the latest in energy efficient green technology. The project will cut energy use by 49 percent, create hundreds of local jobs, and save at least \$518 million in energy costs over the next 20 years.
- Established the Green Energy Market Securitization program to make clean energy improvements affordable and accessible for Hawaii's consumers.

ENVIRONMENT & NATURAL RESOURCES

- Promoted stewardship of Hawaii's natural resources through the Rain Follows the Forest Watershed Initiative to protect Hawaii's declining fresh water supplies through the restoration of watershed forests and native ecosystems.
- President Obama appointed Gov. Abercrombie to serve on the Task Force on Climate Preparedness and Resilience.

FOOD & AGRICULTURE

- Preserved more than 1,000 acres of land for agricultural use through the purchase of land from the Galbraith Estate in collaboration with other state, federal, and private entities.
- Strengthened the state's food security and agricultural workforce through the Veterans to Farmers initiative at Waimea Nui, a cross-departmental partnership that assists veterans and Hawaiian homesteaders to develop farming skills and grow produce.

HEALTHCARE TRANSFORMATION

- Established the Office of Healthcare Transformation and developed a comprehensive healthcare transformation plan.
- Rebuilt the public behavioral health infrastructure and restored essential mental health services.



OLDER ADULTS & AGING

- Expanded the state's capacity to provide more services for Hawaii's aging population and established a coordinator and task force to address Alzheimer's disease and related dementias.
- Worked to protect seniors by supporting legislation protecting elders from financial abuse and providing educational seminars on Medicaid, financial fraud, and prescription drug misuse.

HOUSING, FAMILIES, & HUMAN SERVICES

- Restored funding to priority safety net programs to assist Hawaii's most needy.
- Established the Homeless Coordinator as a cabinet-level position.
- Convened the Hawaii Interagency Council on Homelessness to ensure integration and coordination of services.
- Built the capacity to reopen the Kulani Correctional Facility in mid-2014 to allow mainland prisoners to return home.
- Began implementation of policies to reform the criminal justice system.
- Provided funding and flexibility to the Hawaii Public Housing Authority to address repair backlogs.

CIVIL & HUMAN RIGHTS

- Established civil unions and marriage equality for same-sex couples.
- Supported and implemented legislation that protects minor victims of sex and labor trafficking under the scope of the state Child Protective Act.

SMALL BUSINESS & ENTREPRENEURSHIP

- Stabilized the unemployment insurance fund and moderated the assessments during the recession to ensure that employers' rates did not spike so that we now have a healthy fund and can lower the payments by businesses.
- Implemented the Launch Akamai Venture Accelerator (LAVA) to promote the establishment of venture accelerators in Hawaii which will assist entrepreneurs by providing a structured framework to build and launch their businesses.
- Established the HI Growth Initiative within the Hawaii Strategic Development Corporation to foster a healthy entrepreneurial ecosystem by leveraging research funds investing in Hawaii and mobilizing Hawaii-based seed funds.

GROWING & NURTURING A SUSTAINABLE ECONOMY

Growing and nurturing a sustainable economy are essential for the long-term vitality of the state. A sustainable economy is one built on clean energy, public infrastructure that benefits all, locally grown food, diversified and cutting-edge industries, stewardship of our natural resources, and creative industries.

**THE ADMINISTRATION'S
INITIATIVES FOR A
SUSTAINABLE ECONOMY
INCLUDE >>>**

- PUBLIC INFRASTRUCTURE & FACILITIES
(Capital Improvement Projects)
 - RENEWABLE ENERGY
 - FOOD SECURITY
 - INNOVATION ECONOMY
 - ENVIRONMENTAL STEWARDSHIP
 - CULTURE, ARTS, CREATIVE INDUSTRIES
 - IMPROVEMENTS ON PUBLIC LANDS
-

Tourism continues to be one of Hawaii's top economic drivers, and visitor arrivals remain strong. Visitor arrivals increased from 7,018,000 in 2010 to 8,029,000 in 2012. U.S. military presence in Hawaii also remains strong and contributes to the overall stability of the state's economy. In 2012, Hawaii's military presence, with 49,110 active duty military personnel, was the highest since World War II.

Energy is one of the state's top emerging industries. The state's energy initiatives are designed to grow the economy and reduce energy costs. Hawaii has set a bold goal of achieving 70 percent clean energy by 2030. The state is on its way to meeting that goal through tax credits and innovative on-bill financing, first-of-its-kind performance contracting for state agency buildings, and exploring the feasibility of alternative sources of energy. Construction expenditures related to solar projects increased from 8.9 percent in 2010 to 28.5 percent in 2012.

Hawaii is a leader in environmental sustainability efforts. In November 2013, President Barack Obama appointed Gov. Abercrombie to serve on the President's Task Force on Climate Change Preparedness and Resilience. The 26-member task force will develop recommendations on how the federal government can better support local preparedness and resilience-building efforts. Participation in this task force will provide Hawaii with the opportunity to provide insight into the unique needs of the Asia-Pacific region.

Numerous other achievements have led to the development of a sustainable economy >>>



PUBLIC INFRASTRUCTURE & FACILITIES

(CAPITAL IMPROVEMENT PROJECTS)

Shortly after taking office, Gov. Abercrombie initiated a proactive capital improvement project (CIP) program that invested in state infrastructure and facilities for the people of Hawaii while stimulating the local economy and generating jobs for local residents. The state expended \$1.2 billion from all funding sources in fiscal year 2013 for state capital improvements and has appropriated \$2.2 billion from all funding sources for various capital improvement projects in fiscal year 2014.

CIP HIGHLIGHTS

- Hilo International Airport: Groundbreaking for a \$14 million airport cargo facility occurred in February 2013.
- Honolulu International Airport (HNL): FAA approval of the final environmental assessment has been received that will allow the commencement of a \$750 million New Day Works Project Program. HNL has not undergone improvements of this magnitude in more than 20 years.
- Kawaihae Harbor Modernization Project: Groundbreaking for a \$7 million project occurred in January 2013.
- Honolulu Harbor Pier 29: \$29 million project to restore harbor capacity and improve safety and efficiency. The state received \$24.5 million in federal stimulus funds, covering approximately 85 percent of the total project cost.
- Honoapiilani Highway Realignment: Phase 1A Future Keawe Street Extension to Lahainaluna Road was a \$77 million project completed and opened in April 2013. Phase 1B-1 Lahainaluna Road to Hokiokio Place was a \$35 million project completed and opened in December 2013.
- Kapolei Interchange: \$26 million project to improve traffic operations and reduce traffic congestion. Project completed in August 2012.
- Saddle Road – West Side: \$30.8 million realignment project. Renamed the Daniel K. Inouye Highway.

RENEWABLE ENERGY

- Green Energy Market Securitization (GEMS): An innovative \$100 million financing program was established to make clean energy improvements affordable and accessible to low- and moderate-income homeowners, renters, and nonprofits through on-bill financing.
- Interisland Transmission Cable: A regulatory structure is in place to facilitate the development of an interisland transmission cable, connecting our island grids to harvest the abundance of our rich renewable resources.
- State Energy Policy: Established a comprehensive, five-point energy policy that outlines the state's commitment to maximizing the development of cost effective investments in clean energy production and management for the purpose of promoting Hawaii's energy security.



FOOD SECURITY

- **Veterans to Farmers:** The Veterans to Farmers initiative at Waimea Nui assists veterans and Hawaiian homesteaders to grow produce, strengthen the state's food security, and grow the agricultural workforce.
- **Oceanic Institute Feed Mill:** Entered into a contract to build a feed mill on Hawaii Island, scheduled to break ground in the summer of 2014, thereby reducing the costs to import feed and further diversifying Hawaii's agriculture industry.
- **Agricultural Loans:** Since 2010, the Administration approved 56 loans totaling more than \$9 million. Of these loans, 10 were to new farmers and 12 were made to support smaller farms of 5 acres or less.
- **Supplemental Nutrition Assistance Program (SNAP):** Enabled recipients of SNAP benefits to purchase produce through local farmers markets, thereby promoting healthy food choices while sustaining Hawaii's local agriculture.
- **Galbraith Estate Land:** Through the Agribusiness Development Corporation in collaboration with other state, federal, and private entities, acquired 1,200 acres of good agricultural land to be prepared for cultivation.
- **Important Agricultural Lands (IALs):** Since the beginning of the Abercrombie Administration, more than 70,000 acres have been designated as IALs, thereby ensuring that land remains in agricultural use for perpetuity.



INNOVATION ECONOMY

- **HI Growth Initiative:** Established and provided funding for the HI Growth Initiative to develop and support entrepreneurial high-growth companies in Hawaii. Recognized by the National Governors Association as a top trendsetter in state economic development in the area of job creation.
- **Broadband:** Signed legislation to facilitate expansion of high-speed broadband capabilities in the state and obtained funding for environmental studies to help bring high-speed broadband cables to Hawaii. Completed the state's Broadband Strategic Plan.
- **Science, Technology, Engineering, and Mathematics (STEM):** Provided funding to continue STEM programs in Hawaii's public schools.
- **Aerospace States Association.** Lt. Governor Tsutsui serves as the vice chair of the Aerospace States Association. The Office of Lieutenant Governor recently sponsored an Aerospace Summit, which was attended by more than 200 people. The summit discussed the future of the aerospace industry in Hawaii.

SPORTS DEVELOPMENT INITIATIVE

- **Sports Development Initiative.** Lt. Governor Tsutsui has begun laying the ground work for the Sports Development Initiative, which aims to coordinate efforts throughout Hawaii to build a thriving sports industry.



ENVIRONMENTAL STEWARDSHIP

- **Rain Follows the Forest Watershed Initiative:** Continues to protect Hawaii's declining fresh water supplies for present and future generations through the restoration of watershed forests, native ecosystems, and restoration areas by planting native plants and installing fences to prevent non-native hooved animals from trampling and devouring vegetation.
- **State Sustainability Coordinator:** Established a State Sustainability Coordinator position to coordinate across departments, federal agencies, the counties, and other partners.
- **Invasive Species:** Restored funding for agricultural inspectors to protect Hawaii's environment from invasive species.
- **Fisheries:** Established the Community Fisheries Enforcement Unit pilot project on Maui, a public-private partnership to strengthen the Department of Land and Natural Resources Division of Conservation and Resource Enforcement's ability to protect near shore fisheries through focused land and vessel patrols, and community education and collaboration.
- **Hawaii Invasive Species Council:** Supported cross-departmental and public-private efforts to provide policy-level direction, coordination, and planning among state departments, federal agencies, and international and local initiatives for the control, eradication, and prevention of the introduction of invasive species to the state.
- **Hawaii Green Growth:** Recognized the importance of public-private partnerships and cross-sector collaboration in building a green economy by joining other leaders in working together as part of Hawaii Green Growth, a voluntary partnership with shared targets for clean energy, local food production, natural resource management, waste reduction, green job creation, smart growth, and climate change adaptation.
- **Irrigation Systems:** Provided funding for irrigation improvements statewide, including Waiahole Ditch, Molokai Irrigation System, Waimanalo Irrigation System, Waimea Irrigation System, Lower Hamakua Ditch Watershed Project, Upcountry Maui Watershed Project, Kekaha Shaft connection pipeline, and Kau Irrigation System.

CULTURE, ARTS, CREATIVE INDUSTRIES

- **Film Production Incentives:** Extended and increased the tax credit to encourage film production in Hawaii.
- **Hawaiian Culture:** Supported dedicated funding from Hawaii Tourism Authority revenues for Hawaiian Center and Museum of Hawaiian Music and Dance at the Hawaii Convention Center.

IMPROVEMENTS ON PUBLIC LANDS

- **21st Century Schools:** Established the 21st Century Schools pilot project that allows the DOE to leverage and optimize the use of public school lands to fund the improvement of public school facilities and infrastructure.

HAWAII'S PEOPLE ARE ITS GREATEST ASSETS

INVESTING IN PEOPLE



THE ADMINISTRATION HAS MADE IT A PRIORITY TO INVEST IN THE EDUCATION, SKILLS, AND WELL-BEING OF HAWAII'S PEOPLE IN THE FOLLOWING AREAS >>>

- EARLY CHILDHOOD EDUCATION & DEVELOPMENT
- EDUCATION & WORKFORCE DEVELOPMENT
- UNIVERSITY OF HAWAII
- HEALTHCARE TRANSFORMATION
- SAFETY NET, HOMELESSNESS, PUBLIC SAFETY
- HOUSING

Gov. Abercrombie is passionate about providing Hawaii's keiki with the resources they need to be prepared for the 21st century. Early learning is a hallmark of the Administration, with the creation of the Executive Office on Early Learning and the formal establishment of a statewide School Readiness Program. The foundation has also been formed to provide digital devices and implement a digital curriculum.

The federal Affordable Care Act dovetails with Hawaii's Prepaid Health Care Act that was enacted in 1974, which already paved the way for Hawaii to be a front-runner in ensuring that most residents were provided with health insurance. The state has furthered those efforts through the establishment of the Office of Healthcare Transformation within the Governor's Office with the purpose of coordinating healthcare efforts statewide.

Gov. Abercrombie has also committed to taking care of our kupuna. With Hawaii's population continuing to live longer, providing adequate resources and allowing the elderly to age in place has become a priority. The Executive Office on Aging has received more resources to expand services to the elderly.

Hawaii has also developed a healthy workforce and has recorded some of the lowest unemployment rates in the nation. The November 2013 unemployment rate was 4.4 percent, 5th lowest in the nation.

Numerous other investments in Hawaii's people have been made >>>



EARLY CHILDHOOD

- **Executive Office on Early Learning (EOEL):** Instituted cabinet-level leadership by establishing the EOEL within the Governor's Office to coordinate early learning efforts and to develop a comprehensive and integrated statewide early childhood system.
- **Statewide School Readiness Program:** Championed the statutory establishment and expansion of funds to provide learning opportunities for four-year-olds, stepping closer to the goal to ensure that all keiki have access to preschool.
- **Ka Pua Initiative:** Collaborative effort between Kamehameha Schools, the state Department of Hawaiian Home Lands (DHHL), and other community organizations to establish an early childhood education complex on DHHL land in Maili, Oahu, that will include preschool classrooms (expanding preschool capacity on the coast by 25 percent) and an infant-toddler care center.

EDUCATION & WORKFORCE DEVELOPMENT

- **Aligned BOE, DOE, and Governor:** In 2011, successfully transitioned from an elected to an appointed school board with improved governance and accountability. Included the schools superintendent in all cabinet-level meetings for cross-department alignment.
- **Race to the Top:** Implemented the federal Race to the Top Grant, which provided DOE with \$75 million to build the foundation and infrastructure necessary to transform our public school educational system into a 21st century educational system.
- **Teachers:** Reached a collective bargaining agreement with public school teachers that included an effective teaching evaluation component, the Educator Effectiveness System.
- **Student Achievement and Learning:** Hawaii's 4th graders scored above the national average in math. The National Assessment of Educational Progress (NAEP) 2013 reported the percentage of 4th graders scoring at or above proficiency in math was 9.26 percentage points greater than in 2009, a 25 percent increase; in reading, 4th graders in 2013 scoring at or above proficiency increased 4 percentage points from 2009, a 16 percent increase.
- **College and Career Readiness:** More public high school graduates took college-level courses during high school. In addition, 1,247 more students took advanced placement exams in 2012 than in 2010, an increase of 36 percent. Fewer of our students entering college required remediation, as evidenced by the 14 percent decline of the remediation rates in English for DOE students entering UH over the last three years.



- **Increased Graduation Rates:** There was a 7 percent increase in the graduation rate over the past three years, with 809 more students graduating in 2012 than in 2010.
- **Summer Reading Program:** Experienced 19 percent growth in Summer Reading Program participation since 2010.
- **R.E.A.C.H. (Resources for Enrichment, Athletics, Culture and Health):** An initiative spearheaded by Lt. Governor Tsutsui that provides a standardized framework and funding for afterschool programs for Hawaii's intermediate and middle school students. The pilot program, which includes five intermediate and middle schools across the state, is underway.



UNIVERSITY OF HAWAII

- Incorporated UH into the Governor's Cabinet to allow for improved coordination and communication.
- UH West Oahu: Completed and opened the UH West Oahu campus to bring higher education access to important under-served groups such as Native Hawaiians, Filipinos, Pacific Islanders, and other residents of Kapolei and the Waianae Coast.
- Palamanui Campus, Hawaii Island: Broke ground and began construction on the Palamanui Campus of Hawaii Community College, thereby broadening educational opportunities on the west side of Hawaii Island.
- Advanced Technology Solar Telescope: Excelled in astronomy and developed economic opportunities for the islands of Hawaii and Maui through construction of the Advanced Technology Solar Telescope on Haleakala and furthered progress on the Thirty Meter Telescope on Mauna Kea.
- Expanded Reach and Degrees Awarded: The University expanded its educational reach and service by increasing the number of degrees awarded to students from 8,084 in fiscal year 2009 to 10,001 in fiscal year 2013 through the UH System, a 24 percent increase.
- Hawaiian Studies: Perpetuated the host culture and language by instituting the first associate of arts degrees in Hawaiian Studies across all seven community college campuses.

HEALTHCARE TRANSFORMATION

- Office of Healthcare Transformation: Established the Office of Healthcare Transformation within the Governor's office to coordinate healthcare transformation efforts statewide, including the implementation of the Patient Protection and Affordable Care Act.
- Healthcare Transformation Plan: The Office of Healthcare Transformation was awarded a \$1 million planning grant and worked with a broad coalition of public and private stakeholders to develop a comprehensive healthcare transformation plan that includes expansion of community health centers, addressing the physician shortage, expanding the use of information technology in healthcare, and support patient-centered models of care that focus on prevention and address social determinants of health.
- KOLEA: Developed and implemented KOLEA, the new Medicaid online eligibility system that will transform access to Medicaid to ensure the health of Hawaii's most vulnerable residents.
- Hawaii Medicaid Electronic Health Record Incentive Program: Provides up to \$62.6 million in federal funds as incentives for eligible health providers, hospitals, and federal qualified health centers to adopt, implement, or upgrade their electronic health records.
- Patient Protection and Affordable Care Act (ACA) Implementation: While the Hawaii Health Connector is a non-state government, private, nonprofit organization established to create and operate the online health insurance marketplace in the Islands, Hawaii state government has done its part and met all milestones in successfully coordinating ACA implementation responsibilities across departments, including the state departments of Human Services, Health, Commerce and Consumer Affairs, Labor and Industrial Relations, and Attorney General, and the Office of Information Management Technology.

SAFETY NET, HOMELESSNESS, PUBLIC SAFETY

- **Safety Net:** Restored funding to priority safety net programs to assist Hawaii's most needy.
- **Eligibility Determination:** Improved timely determinations for eligibility for SNAP (formerly known as Food Stamps) and Medicaid benefits. The timeliness rate for Medicaid processing increased from 66 percent to 94.6 percent under the Administration. A \$700,000 federal bonus was awarded to the state because of success in eligibility determination.
- **Compassionate Care:** Championed emergency contraception legislation, which requires all hospital-based emergency rooms to offer medically and factually unbiased information about and access to emergency contraception to victims of sex assault.
- **Governor's Homeless Coordinator:** Established the Homeless Coordinator as a Cabinet-level position and convened the Hawaii Interagency Council on Homelessness to ensure integration and coordination of services between the state, counties, nonprofit providers, and federal partners at the U.S. Department of Housing and Urban Development and the U.S. Department of Veterans Affairs.
- **Financial Abuse of Elders:** Championed legislation that requires financial institutions to report suspected financial abuse of elders to the police and the Hawaii Department of Human Services' Adult Protective Services Program.
- **Kupuna Alert Partners Presentations for Seniors:** Provided educational seminars on Medicaid, financial fraud and prescription drug misuse conducted by the Department of the Attorney General, Department of Public Safety, Executive Office on Aging, and Department of Commerce and Consumer Affairs.
- **Executive Office on Aging (EOA):** In 2013, Gov. Abercrombie requested an increase in the EOA's funding by 75 percent to expand the state's capacity to provide more services for our aging population.
- **Kupuna with Memory Loss:** Established an Alzheimer's Disease and Related Dementias Coordinator position to focus on memory loss issues. In addition, established an Alzheimer's Disease and Related Dementias Task Force to develop a Hawaii State Plan on Alzheimer's disease and related dementias.
- **Senior Centers:** Provided funds for ongoing services at senior centers in Honolulu, including Moiliili, Waikiki, and Lanakila.



- **Health Equity and Social Determinants of Health:** Rebuilt the public behavioral health infrastructure and restored essential mental health services. Delivered primary specialty care free of charge to rural and neighbor island communities in partnership with the Department of Defense.
- **Kulani Correctional Facility:** Worked toward building the capacity to reopen the Kulani Correctional Facility in mid-2014 to allow Hawaii prisoners on the continental United States to come home. Kulani, which closed in 2009 due to budget cutbacks, will have 96 full-time staff positions and will house about 200 low-risk inmates.
- **Began implementation of the Justice Reinvestment Initiative** to increase efficiency in the criminal justice system, reduce recidivism, and increase the amount of victim restitution. A working group has been convened to explore reforms in the juvenile justice system.

HOUSING

- **Hawaii Public Housing Authority:** Funding and flexibility has been provided to the Hawaii Public Housing Authority to aggressively address repair backlogs.
- **Workforce Housing:** Initiated a program to use public-private partnerships to develop affordable workforce housing.
- **Housing Development:** Since its inception in 2007, the Hawaii Housing Finance and Development Corporation has built 3,905 units, of which 2,227 units were built during the Abercrombie Administration.

TRANSFORMING GOVERNMENT

The third part of the Administration's foundation to move the state forward is to implement measures that take government into the 21st Century to more efficiently and effectively serve the people of Hawaii.

**KEY COMPONENTS TO
GOVERNMENT TRANSFORMATION
INCLUDE THE FOLLOWING >>>**

- INFORMATION TECHNOLOGY
 - OPERATIONS MANAGEMENT
 - FISCAL MANAGEMENT
 - CUSTOMER SERVICE
 - CIVIL DEFENSE & SECURITY
-

Through difficult but necessary financial control measures implemented by the Administration in fiscal years 2011, 2012, and 2013, the state gradually increased its ending balances every year since the start of the administration. This has resulted in S&P upgrading the State of Hawaii's outlook to "positive" and led to more faith in Hawaii's ability to manage its fiscal resources and to more financial options.

The Enterprise Resource Planning Project is the state's flagship information technology (IT) initiative, which will integrate seven core IT-related processes of the state: payroll, time and attendance, asset management, grants management, acquisitions, budget and finance, and human resources.

In addition, the Administration is promoting transparency and openness in government through the launch of data.hawaii.gov, its open data site, with the goal of increasing public awareness and access to data and information, and encouraging public engagement. The Administration launched a completely redesigned Hawaii.gov portal landing page to enhance the search functions of Hawaii government websites, such as applying for a general excise tax license.

Numerous other initiatives have led to government transformation in Hawaii >>>

INFORMATION TECHNOLOGY

- Chief Information Officer: Established a Chief Information Officer position and the Office of Information Management Technology to lead and coordinate the modernization of the state's information technology infrastructure and systems to increase efficiency across all areas of government services.
- Enterprise Resources Planning (ERP) Project: Implemented the planning and design phases of cross-departmental planning and information sharing through the ERP Project, allowing employees to deliver services more expediently and efficiently.
- Digital Archives: Enacted legislation enabling the Hawaii State Archives to acquire, process, provide access to, and permanently preserve digital records of enduring legal, historical, fiscal, or cultural value.

FISCAL MANAGEMENT

- **Recapitalization of Fiscal Reserves:** The Administration proposed and enacted legislation to begin replenishing depleted reserves in the Emergency and Budget Reserve Fund (a.k.a. Rainy Day Fund) and the Hawaii Hurricane Relief Fund with \$50 million and \$105.5 million, respectively.
- **Retirement System Reform:** Reformed the state retirement system to put it on a path to full-funding in 30 years and pay down unfunded liabilities.
- **Other Post-Employment Medical Benefits for Retirees (OPEB):** Enacted landmark legislation to require prefunding of OPEB obligations, thereby establishing an aggressive path toward reducing the state's unfunded liabilities.
- **Comprehensive Annual Financial Report (CAFR):** Improved accountability by making the timely issuance of the CAFR a top priority.
- **Largest Bond Sale and Lowest Interest Rate in Hawaii's History:** In 2011, completed the state's largest bond transaction in Hawaii's history in the amount of \$1.3 billion. In 2012, the state sold \$870 million in bonds and achieved the lowest rate in state history, with the bonds priced and sold at a rate of 2.6 percent, almost a full percentage point lower than the previous low the prior year.
- **Unemployment Trust Fund:** Restored the health of the Unemployment Trust Fund that was bankrupt in 2010. The projected 2014 beginning balance is \$312 million and the drop in tax rates will save employers approximately \$130 million in 2014, an average of \$300 per employee annually.

CIVIL DEFENSE & SECURITY

- **Homeland Security:** Formally established the Office of Homeland Security within the Hawaii Department of Defense to ensure coordination among county, state and federal agencies, and private entities.
- **Siren Warning System:** In process of modernizing the outdoor siren warning system.

OPERATIONS MANAGEMENT

- **Employee Programs:** Reestablished public employee training and counseling programs to build a stronger state workforce.
- **Administrative Procedures:** Continuing to update and streamline administrative procedures and processes.
- **Kamamalu Building:** Will save the state in lease rent payments in the amount of approximately \$2.2 million per year once renovations are completed. It will house various programs of the Hawaii Departments of Human Services and Health.
- **Transformational Internship Program (TIP):** Established the TIP program, a collaboration between the Department of Human Resources Development and Office of Information Management and Technology, to support all executive branch departments. The innovative internship program provides Hawaii undergraduate and graduate students the opportunity to work alongside innovators within state government and gain hands-on experience in a wide range of areas. Since the program began in 2013, 133 undergraduate and graduate students have participated in the internship program.

CUSTOMER SERVICE

- **Public Services:** Filled vacancies to upgrade service levels to the public.
- **Online Services:** Improved websites and internet access to services, including mobile applications.
- **Mobile Apps:** Improved access to government and public services by launching mobile applications including:
 - **Electric Vehicle Stations Hawaii:** Launched in 2013 to help electric vehicle drivers locate publicly available charging stations statewide.
 - **Business Renewal and Filing:** Allows users to search business names, make document purchases, and conduct annual filings.
- **Bureau of Conveyances (BOC):** In January 2011, the BOC introduced greater public access to land record documents through its online document search website. In 2012, the BOC launched a new service, e-Recording, providing a convenient and efficient way to record land documents online.

OTHER ISSUES

Gov. Abercrombie has long been a proponent of equality and justice, as well as Native Hawaiian rights, and in his decisions, has always been guided by the principle of doing what is right.



CIVIL & HUMAN RIGHTS

- **Equal Rights for Same-Sex Couples:** Gov. Abercrombie's first bill signed into law was legislation allowing for civil unions in Hawaii, a first step toward equity for same-sex couples. In October 2013, Gov. Abercrombie called the Legislature into a special session to address the issue of marriage equality for same-sex couples. As of Dec. 2, 2013, same-sex couples have the legal right to marry in Hawaii.
- **Sex and Labor Trafficking:** Enacted legislation that protects minor victims of sex and labor trafficking within the scope of the state Child Protective Act.

NATIVE HAWAIIANS

- **Office of Hawaiian Affairs (OHA) Settlement:** Conveyed fee title to nine parcels of state-owned land at Kakaako with an approximate value of \$200 million to OHA, and extinguished all of OHA's claims to the income and proceeds from ceded lands through June 30, 2012.
- **Aha Moku Advisory Committee:** Enacted legislation that establishes the Aha Moku Advisory Committee within the Department of Land and Natural Resources and provides advice on issues related to land and natural resources management through the Aha Moku System, which is based upon Native Hawaiian resource management practices.

COLLECTION OF MONEYS OWED TO THE STATE

- **Online Travel Agencies:** Succeeded in a lawsuit against several online travel agencies including Expedia, Hotels.com, Hotwire, Orbitz, Travelocity, and Priceline to obtain approximately \$150 million in overdue taxes and \$70 million in penalties and interest. Also pending in the tax appeal court are additional assessments of \$156 million.
- **National Mortgage Foreclosure Settlement:** Participated in a \$25 billion national settlement by 49 states against 5 major banks for improper mortgage foreclosure processes, resulting in more than \$80 million in benefits to Hawaii homeowners.
- **Collections:** The Department of Taxation's audit branches collected \$55.7 million in tax assessments during fiscal year 2012 as compared to \$32.4 million in fiscal year 2011.

INTERNATIONAL RELATIONS

- **Trade Mission to the Philippines:** Lt. Governor Shan Tsutsui successfully led a trade mission delegation of more than 40 business executives to the Philippines. The mission increased business activity by promoting Hawaii and the Philippines as investment and tourism destinations, encouraged trade and economic activities across the Pacific region.



WHERE WE ARE HEADED

The Abercrombie Administration looks forward to continuing its work on behalf of the people of Hawaii and expanding its initiatives to grow a sustainable economy, invest in people, and transform government, including >>>

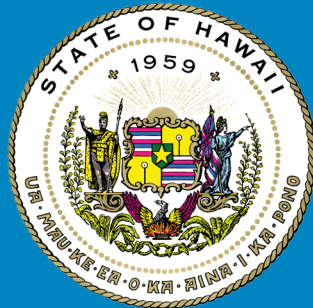
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| - FURTHERING THE STATE'S EFFORTS TOWARD THE DEVELOPMENT AND UTILIZATION OF RENEWABLE ENERGY | - IMPROVING THE EDUCATIONAL CLIMATE TO ALLOW HAWAII'S KEIKI TO SUCCEED IN THE 21ST CENTURY |
| - BUILDING UPON FOOD SECURITY AND SUSTAINABILITY EFFORTS | - ADVANCING THE STATE'S HEALTHCARE TRANSFORMATION EFFORTS |
| - ADVANCING INNOVATION TO BUILD UPON THE STATE'S ENTREPRENEURIAL ECOSYSTEM | - ADDRESSING HOMELESSNESS AND PROVIDING AFFORDABLE HOUSING |
| - CONTINUING AND IMPROVING THE STATE'S ENVIRONMENTAL STEWARDSHIP EFFORTS | - CONTINUING TO REMOVE BARRIERS BETWEEN STATE DEPARTMENTS AND IMPROVE PUBLIC ACCESS TO GOVERNMENT SERVICES |
| - TAKING ADDITIONAL STEPS TO PROVIDE ACCESS TO PRESCHOOL FOR ALL | |
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The Abercrombie Administration has worked diligently to restore the state to fiscal health and contribute to the growth of Hawaii's economy over the last three years. The Administration remains committed to continuing its responsible fiscal management in order to build upon the \$1.1 billion turnaround the state has achieved. At the same time, Hawaii's improved fiscal position allows us to better address important issues such as early learning and development, support for our seniors, environmental protection, and homelessness. The 2013-2015 supplemental budget provides an opportunity to utilize our resources effectively and maximize the benefit to the people of Hawaii.

The Administration has further committed to building the financial strength of the state by outlining a strategy in the state financial plan to recapitalize state reserves to higher than pre-recession levels. A goal has been set to build state reserves to 10 percent of general fund revenues. Over time, these reserves will allow the state to weather future economic downturns and mitigate against cyclical public service cutbacks.

Furthermore, the Administration is proposing continued stimulus to the economy through more fiscally prudent management of capital improvement projects in the development of necessary infrastructure. By directing more bond funds to long-term assets and using general funds to address immediate and short-term repair and maintenance, the state continues its adherence to the optimized debt profile that has been achieved through proper management of the state's long-term debt.

Although there are many priority needs that must be addressed, fiscal sustainability is essential to fulfilling those needs. Now that a course has been charted for building financial reserves, maintaining a fiscally prudent general fund balance, and meeting our previously unfunded financial obligations, other public needs can be more fully addressed.



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